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INSIDE SPECIAL SECTION RECLAMATION

COAL INDUSTRY NEWS

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Congress Upset At Drastic DOE Budget Cuts

FERTILE SOIL (LOESS) IS PUMPED through pipelines into retaining polderers over former surface mined region to create fertile land for resettled farmers who will soon be growing crops near Cologne, Germany.

By DONNA SMITH

WASHINGTON — President Reagan will not formally submit his fiscal 1983 budget to Congress until January, but the battles have already begun over the Department of Energy's budget.

Republican and Democrat members of a Senate energy subcommittee told Energy Secretary James Edwards last week to report to President Reagan their displeasure with reports that the budget for conservation, fossil fuel and renewable energy programs will be drastically cut in fiscal 1983.

Edwards, after the hearing, said he expected to meet with President Reagan late on Thursday.

He met Wednesday with members of the White House budget review committee to plan for restoration of some of the department's fiscal 1983 budget requests.

Edwards told the Senate subcommittee on energy and nuclear proliferation that administration negotiations over DOE's fiscal 1983 budget have not been completed. DOE reportedly has proposed a $11.6 billion budget for fiscal 1983 that included $796 million for the Strategic Petroleum Reserve, $305 million for fossil fuel programs, $42 million for conservation, $1.4 billion for nuclear programs and $117 million for solar energy and other renewable resources.

The Office of Management and Budget's countered with a 1983 budget of $9.6 billion that put petroleum reserve purchases off budget and increased its allowance to $2.2 billion. But under the OMB proposal, the budget for fossil fuel programs were slashed to $107 million, conservation programs were reduced to $19 million, nuclear was funded at $1.7 billion and solar and other renewable resources programs were cut to $84 million.

"Energy research and development in coal, this country's most abundant energy resource, was cut 40 percent this year, and is expected to receive further reductions and possibly complete shut-down in fiscal 1983," Sen. Mark. O. Hatfield, R-Ore., said in his testimony before the subcommittee.

DOE said in its response to OMB that it

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Eminent Domain Legislation Squeaks Past House Committee Despite Reagan Protests

By STEVE MARCY

WASHINGTON — Legislation granting Federal eminent domain to coal slurry pipelines squeaked through one House committee last week at the same time Reagan Administration officials protested it to another.

The 21-20 vote sends the Interior Committee's version of the legislation to the floor. The bill would allow the Interstate Commerce Commission to award pipelines with a "certificate of public convenience and necessity," forming the basis on which a Federal district court would use eminent domain to secure the rights of way for a pipeline.

Before the House can act, it must await the Public Works and Transportation Committee's consideration of the bill.

A surface transportation subpanel of that committee heard Interior and Transportation Department officials oppose the legislation on grounds it interferes with the rights to states to invoke their own eminent-domain laws.

The officials — David C. Russell, Deputy Assistant Interior Secretary for Land and Water Resources, and Charles Swinburn, Depty Assistant Transportation Secretary for Policy and International Affairs — said that the Administration favored the building of pipelines, but not at the expense of trampling on states rights.

Swinburn said that the inability of natural gas to move by any method other than pipelines justified Federal eminent domain for them, but not for coal. As long as rail can adequately move coal, slurry pipelines are not a critical enough energy issue to warrant the Federal intrusion of eminent domain upon the states.

Both officials said the Reagan Administration supports the movement of coal by pipeline, but that pipeline sponsors must demonstrate to the states that their projects are critical enough to deserve state eminent domain powers.

Russell said that an Interior Department court showed 12 states had eminent

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NEWS ROUNDUP

The battle for control of Marathon Oil took a new twist. With U.S. Steel the apparent victor over the unwanted move of Mobil and Amerada Hess, Mobil announced its intention to purchase "between 15 and 25 percent" of the nation's largest steelmaker. If Mobil, the second largest oil company, accomplishes its goal, it is felt it would then try to pressure U.S. Steel to swap Marathon assets for its own stock. This would be much like the deal Dome Petroleum made when it purchased a major share of Conoco and then swapped the shares for

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Japanese Set Stiff Demands On American Coal Suppliers

WASHINGTON — Japanese utility and steel executives expect the U.S. to supply a large portion of their coal, but they will not rely on the U.S. until it can demonstrate uninterrupted supplies at world prices.

K. Shibukawa, chief representative of the New York office of the Kansai Electric Co., told a Senate Energy subcommittee on Energy and Mineral Resources that "when American coal achieves price competitiveness in the international coal trade by improving the inland transportation system and facilities, and its quality is guaranteed to the satisfaction of Japanese end users, I am sure that the great latent demand for American coal will be actualized in Japan."

Japanese utilities and the cement industry must use about 60-million tons imported steam coal annually by 1990, up from 1979 government estimates for that year of 53.5-million tons. The utility share should range from 40- to 46-million tons.

Japanese utilities, already operating 40 coal-fired plants that generate 5,760 megawatts, will add another 49 coal-fired facilities of 24,000 mw in capacity in the coming 10 years.

Both industries are concerned about rebuilding the United States' "transportation infrastructure" although Shibukawa hinted that the need for ports capable of handling very large colliers might not be as acute as earlier indicated.

Some power plants are located near

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STEEL IMPORTERS ASSERT 'insufficient productivity' is the real problem with American industry. (Page 3)

AMERICAN ELECTRIC POWER PRICE LIST shows drastic effects of inflation on coal mining. (Page 5)

JOHN CORCORAN RECALLS PROBLEMS Consol faced when it built nation's first coal slurry pipeline. (Page 22)

OSM DEFENDS EXPENSES for flying its man every week to review Virginia surface mining program. (Page 3)

FACTS & FIGURES — Domestic

	11/28	WEEKLY 11/21	11/29
Production			
Bituminous, recent week	14,300	18,465	15,830
Bituminous, year to date	730,166	—	753,873
Anthracite, recent week	176	157	72
Anthracite, year to date	5,113	—	4,950
Railroad carloadings			
Bituminous, recent week	105,940	136,780	99,860
Bituminous, year to date	5,240,700	—	5,274,666
Anthracite, recent week	400	349	383
Anthracite, year to date	18,302	—	26,172

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Administration - Weekly Coal Report.

	WEEKLY 11/21	11/14	11/22
Production by states, bituminous and lignite			
Eastern			
Alabama	620	620	606
Georgia	—	—	1
Illinois	1,375	1,420	1,289
Indiana	700	642	628
Kentucky:			
Eastern	2,695	2,820	2,431
Western	910	995	972
Total, Ky.	3,605	3,815	3,403
Maryland	115	80	114
Ohio	810	760	958
Pennsylvania	2,260	2,320	2,192
Tennessee	250	200	317
Virginia	979	930	1,071
West Virginia	2,610	2,660	2,379
Total, eastern	13,324	18,405	12,958
Western			
Alaska	14	16	14
Arizona	210	225	213
Arkansas	7	9	13
Colorado	440	430	494
Iowa	12	13	12
Kansas	18	20	10
Missouri	135	122	122
Montana	710	700	746
New Mexico	375	355	307
North Dakota	380	360	296
Oklahoma	110	105	110
Texas	620	670	603
Utah	200	175	165
Washington	110	102	106
Wyoming	1,500	1,650	1,621
Total, western	5,141	4,952	4,832
Total, United States	18,465	18,405	17,790

In short tons (000).
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Reports.

	9/81	8/81	9/80
Coal Labor			
All employees			
Coal	259.1	256.0	247.5
Bituminous & lignite	255.6	252.5	244.1
Production employees			
Coal mining	215.0	211.4	204.7
Bituminous & lignite	211.9	208.3	201.6
Hours, weekly average			
Coal mining	41.9	42.0	40.6
Bituminous & lignite	41.9	42.0	40.6
Earnings, hourly average			
Coal mining	12.34	12.09	10.95
Bituminous & lignite	12.38	12.13	10.99
Earnings, weekly average			
Coal mining	517.05	507.78	444.57
Bituminous & Lignite	518.46	509.46	446.19

Source: U.S. Dept. of Labor, Bureau of Labor Statistics - Employment and Earnings.

Latest: Aug. 1981

	WEEK ENDED 11/21/81	11/14/81	11/22/80
Transportation: railroad			
Eastern district			
Bessemer and Lake Erie	1,925	2,221	1,354
Baltimore and Ohio	8,761	9,556	7,942
Chesapeake and Ohio	18,441	21,280	15,354
Consolidated Rail Corp.	9,099	9,554	9,881
Norfolk and Western	22,117	19,699	20,236
Pittsburgh & Lake Erie	—	23	179
Western Maryland	2,276	2,321	3,193
Other, eastern district	15	13	295
Total, eastern district	62,634	64,667	58,434
Southern district			
Clinchfield Railroad	2,092	2,085	1,983
Illinois Central Gulf	5,428	4,052	5,208
Louisville & Nashville	16,260	17,677	13,774
Southern Railway	9,030	9,049	8,908
Other, southern district	—	2	1
Total, southern district	32,810	32,865	29,874
Western district			
Atchison, Topeka & Santa Fe	1,371	1,843	1,392
Burlington Northern	22,936	22,169	19,096
Chicago & North Western	713	834	415
Denver & Rio Grande Western	4,867	4,578	4,473
Kansas City Southern	106	98	111
Chicago, Mil., St. Paul & Pacific	1,430	1,065	1,181
Missouri-Kansas-Texas	98	123	60
Missouri Pacific	4,605	3,785	3,521
Soo Line	70	66	70
Union Pacific	5,078	4,160	3,704
Other, western district	63	62	27
Total, western district	41,337	38,806	34,052
Total, all districts	136,781	136,338	122,360

	WEEKLY 11/28/81	11/21/81	11/29/80
Transportation: inland rivers			
Monongahela River, Lock no. 3	266,000	422,392	315,544
Allegheny River, Lock no. 2	12,200	21,900	27,900
Ohio River, Montgomery Lock	401,950	250,800	250,704

In short tons through locks.
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

	MONTHLY 11/21/81	11/14/81	11/22/80
Bituminous and lignite			
Consumption			
Electric power utilities	48,385	54,195	47,829
Coal user stocks of coal			
Electric power utilities	144,097	136,977	170,776
Anthracite			
Consumption			
Electric power utilities	98	133	84
Coal user stocks of coal			
Electric power utilities	5,428	5,337	4,291

Note: Data given in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Report.

	9/81	8/81	9/80
Coal User Production			
Major direct users:			
Electric utilities (Mil. Kwh., Weekly, 11/28/81)	41,711	42,566	42,727
Steel (Short tons, thousands, Weekly, 11/28/81)	1,755	1,853	2,375
Cement, Portland, U.S. shipments (Short tons, monthly, 9/81)	6,800,131	6,527,972	7,302,804
Other significant output:			
Aluminum (short tons, Month, 10/81)	395,565	393,012	436,676
Passenger car production, total (week ended, 10/81)	534,578	455,077	668,015
Machine tools: (monthly)			
Net new orders ($000, 10/81)	213,800	188,650	330,000
Shipments ($000, 10/81)	406,900	441,450	439,800

	Monthly 10/81	9/81	10/80
Price indexes			
Coal	511.1	510.6	471.0
Anthracite	629.8	620.5	479.4
Chestnut, Pa.	524.3	524.3	426.7
Buckwheat No. 1, Pa.	691.4	691.4	545.1
Bituminous	506.4	506.2	469.9
Domestic sizes	619.5	619.5	584.2
Retail dealers	293.1	293.1	276.4
Industrial sizes, spot	437.7	436.4	399.3
Steam electric utility	140.7	139.4	123.4
Manufacturing	282.1	281.5	252.4
Metallurgical, high volatile	757.3	757.3	704.2
Metallurgical, low volatile	—	—	—
Industrial sizes, contract	143.2	143.2	133.4
Steam electric utility	174.7	174.9	160.9
Manufacturing	127.1	127.1	120.2
Metallurgical, high volatile	106.1	105.8	99.0
Coke (foundry by-product)	470.3	470.3	430.6
Birmingham, Ala.	485.2	485.2	439.6
Milwaukee, Wis.	470.8	470.8	420.4
Detroit, Mich.	N.A.	N.A.	423.1
Indianapolis, Ind.	484.3	484.3	437.7
St. Louis, Missouri	316.1	316.1	286.8
Philadelphia, Penna.	315.6	315.6	285.8

N.A. - Not available

Latest: Oct. 1981

FACTS & FIGURES — Exports & Imports

EXPORTS

	Quantity in short tons 9/81	8/81	9/80	Dollar Value 9/81	8/81	9/80	Avg. Value, per short ton 9/81	8/81	9/80
Bituminous coal, low volatile blends to make coke No. 5213110									
Japan	2,277,407	2,020,573	2,082,676	137,029,709	116,604,337	117,649,459	60.17	57.71	56.33
Canada	696,212	623,250	634,566	42,421,693	37,295,598	38,450,325	60.93	59.84	60.59
Belgium	520,349	315,125	177,844	31,876,057	17,988,659	9,117,645	61.14	57.08	51.61
Italy	518,239	726,781	457,284	28,547,041	41,942,336	23,014,997	55.08	57.71	50.33
France	384,763	673,880	472,848	24,151,308	37,710,920	23,409,860	62.77	55.96	49.51
Spain	331,942	435,358	175,622	19,129,998	25,822,518	8,049,853	57.63	59.31	45.84
Germany, F.R. (West)	293,212	173,924	174,841	16,841,182	10,096,345	9,499,462	57.44	58.05	54.33
Sweden	286,735	60,944	227,299	16,364,500	3,652,513	11,922,624	57.07	59.93	52.45
Brazil	223,739	263,609	163,860	14,061,312	17,008,726	8,813,994	62.85	64.52	53.79
Korea, Rep. (South)	195,046	66,544	—	10,827,781	3,297,477	—	55.51	49.55	—
Yugoslavia	189,078	153,812	—	10,453,735	8,638,599	—	55.29	56.16	—
Netherlands	138,214	253,674	197,430	7,894,456	10,840,164	9,764,452	57.12	42.73	49.46
Egypt	123,398	51,672	119,660	7,004,795	2,934,494	6,346,410	56.77	56.79	53.04
Total, above	6,178,334	5,819,146	4,889,930	366,543,537	333,832,686	266,039,081	59.33	57.37	54.41
Total, other nations	573,734	728,866	671,074	33,493,131	42,742,316	34,640,254	58.38	58.64	51.62
Total, all nations	6,752,068	6,548,012	5,561,004	400,036,668	376,575,002	300,679,335	59.25	57.51	54.07
Bituminous coal, others No. 5213120									
Canada	1,542,450	1,305,468	900,820	73,391,622	62,346,600	37,558,021	47.58	47.76	41.69
Italy	442,062	206,759	99,770	20,590,324	9,921,083	3,824,570	46.58	47.98	38.33
Japan	413,521	211,655	21,012	20,637,689	11,285,972	1,184,364	49.91	53.32	56.37
Denmark	369,687	218,767	207,179	15,736,966	9,942,180	7,459,248	42.57	45.45	36.00
France	305,198	435,179	338,092	14,051,274	17,647,530	12,035,151	46.04	40.55	35.60
China, Taiwan	299,261	192,122	65,881	12,400,219	7,738,478	2,432,936	41.44	40.28	36.93
Germany, F.R. (West)	291,961	261,335	50,119	14,557,644	12,701,846	2,357,060	49.86	48.60	47.03
Switzerland	267,516	57,876	—	12,406,601	1,942,651	—	46.38	33.57	—
Spain	253,817	392,053	133,380	12,042,260	17,060,081	7,097,011	47.44	43.51	53.21
Netherlands	237,733	714,209	214,800	10,072,791	37,044,974	9,581,026	46.16	51.87	44.60
Finland	220,369	136,325	74,961	10,240,682	6,972,443	3,198,408	46.47	51.15	42.67
Total, above	4,643,575	4,131,749	2,106,014	217,028,072	194,603,838	86,727,795	46.74	47.10	41.18
Total, other nations	193,150	354,251	598,754	10,274,092	15,724,550	22,243,235	53.19	44.39	37.15
Total, all nations	4,836,725	4,486,000	2,704,768	227,302,164	210,328,388	108,971,030	47.00	46.89	40.29
Lignite No. 5213130									
Total, all nations	3,701	3,258	2,485	1,011,007	410,459	302,439	273.17	125.98	121.71
Coal coke for use as fuel No. 5213148									
Total, all nations	86,830	53,827	196,930	5,508,375	3,482,014	13,237,233	63.44	64.69	66.54
Petroleum coke, except calcined No. 5213150									
Japan	171,894	182,294	175,207	9,263,055	8,618,078	6,874,507	53.89	47.28	39.24
France	106,785	51,915	736	7,064,637	3,351,416	37,440	66.16	64.56	50.87
Total, above	278,679	234,209	175,943	16,327,692	11,969,494	6,911,947	58.59	51.11	39.29
Total, other nations	243,550	452,613	414,886	11,840,702	22,919,175	17,736,054	48.62	50.64	42.75
Total, all nations	522,229	686,822	590,829	28,168,394	34,888,669	24,648,001	53.94	50.80	41.72
Compositions for fuel No. 5213160									
Total, all nations	11,258	41	42	653,924	17,637	5,537	58.09	430.17	131.83
Anthracite No. 5213170									
Korea, Rep. (South)	133,105	190,770	—	4,504,668	6,212,769	—	33.84	32.57	—
Spain	100,102	—	—	4,226,212	—	—	42.22	—	—
Total, above	233,207	190,770	—	8,730,880	6,212,769	—	37.44	32.57	—
Total, other nations	73,868	87,341	95,997	4,787,494	6,267,666	5,806,587	64.81	71.76	60.49
Total, all nations	307,075	278,111	95,997	13,518,374	12,480,435	5,806,587	44.02	44.86	60.49

Consol Files for Surface Mine in Big Horn County

SHERIDAN, Wyo. — Pittsburgh-based Consolidation Coal Company, the nation's second largest coal producer, has filed a permit application to open and operate a surface mine 22 miles Northeast of here in Big Horn County, Mont.

The new mine, to be developed on the CX Ranch property owned by Consol, is designed to produce 8-million tons of coal a year and will employ approximately 500 persons.

The company said the mine is being planned in a manner that is environmentally sound and consistent with state and Federal laws and regulations. "We have put great emphasis on Montana's needs and concerns and have designed the mine to protect the state's agricultural and recreational lands," Buddy A. Beach, Consol vice president-environmental affairs, said. He added that "we have maintained frequent contact with state regulatory authorities in collecting our information, as well as in designing the mine."

The shovel/truck method will be used to mine multiple coal seams with a cumulative thickness of about 100 feet. The coal will be stored in silos and loaded into unit trains for shipment to customers. Other facilities to be built include a shop, warehouse, bathhouse and offices. Construction is expected to start in 1983 with full production projected for 1987.

Engineering, exploration and environmental studies related to the development of the CX mine have been underway for several years. Most of the large-scale environmental baseline studies, begun in mid-1979, have been completed. However, monitoring continues and several small-scale environmental data collection programs are still in progress.

Environmental studies have included the collection of detailed information on hydrology, geology, vegetation, wildlife, aquatic biology, land use, cultural resources, soils, climatology and air quality and overburden chemistry. Consol has already committed more than $1.2-million to outside contractors for environmental work at CX Ranch.

The drilling program, which began in 1974, was designed to define and evaluate the quantity and quality of the CX Ranch coal resources.